

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-09
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 CEQ-01 EPA-01
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FM AMCONSUL VANCOUVER
TO SECSTATE WASHDC 4471
INFO AMEMBASSY OTTAWA
ALL OTHER AMCONSULS IN CANADA POUCH

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E.O. 11652: N/A
TAGS: ENRG, PINT, CA
SUBJECT: YUKON - ALASKA HIGHWAY GAS PIPELINE AND YUKON
INDIAN CLAIMS

1. SUMMARY. ALASKA HIGHWAY GAS PIPELINE PROJECT HAS ASSUMED MAJOR PROPORTIONS IN FORWARD PLANNING OF THE YUKON GOVERNMENT AND OF THE BUSINESS COMMUNITY. DELAYS IN PIPELINE CONSTRUCTION UNSETTLING TO BOTH. YUKON GOVERNMENT STRONGLY IN FAVOR OF CLOSE SUPERVISION OF PIPELINE BY GOVERNMENT IN ORDER AVOID ADVERSE SOCIO-ECONOMIC AND ENVIRONMENTAL EFFECTS. YUKON INDIANS MAINTAIN PUBLIC POSITION OF OPPOSITION TO PIPELINE CONSTRUCTION PRIOR TO SETTLEMENT OF CLAIMS. GOVERNMENT ADAMANT THAT PIPELINE NOT NEGOTIABLE. IT IS BELIEVED PIPELINE WILL SERVE AS CATALYST IN EXPEDITING CLAIMS SETTLEMENT. CLAIMS NEGOTIATIONS STALLED BUT OFFICIALS BELIEVE THEY MIGHT BE RE-INSTITUTED LATE THIS YEAR. END SUMMARY.

2. DURING VISIT TO WHITEHORSE LAST WEEK, I DISCUSSED
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ALASKA HIGHWAY GAS PIPELINE AND YUKON INDIAN CLAIMS WITH YUKON COMMISSIONER ART PEARSON, YUKON PIPELINE COORDINATOR JOHN FERBEY AND NORTHERN PIPELINE AGENCY ACTING ADMINISTRATOR FOR THE YUKON, WALLY GRYBA.

3. PIPELINE.

A. ALL THREE WERE VERY MUCH AWARE OF U.S. CONGRESS DELIBERATIONS ON NATURAL GAS PRICING AND WERE CONCERNED ABOUT DELAY IN PIPELINE CONSTRUCTION. PIPELINE, WITH ITS 10-BILLION-DOLLAR-PLUS PRICE TAG, HAS ASSUMED HUGE PROPORTIONS IN FORWARD PLANNING OF TERRITORIAL GOVERNMENT AND OF BUSINESS. PROJECT ALREADY HAVING NOTICEABLE IMPACT ON THE YUKON ECONOMY AND SOCIETY. CONSIDERABLE PROPERTY SPECULATION TAKING PLACE AND REPORTS OF DELAYS IN PROJECT GIVE RISE TO PUBLIC EXPRESSIONS OF DISMAY AND TO INVESTOR UNCERTAINTY.

B. THERE IS STRONG CONSENSUS THAT ALL PIPELINE DEVELOPMENTS SHOULD BE CLOSELY MONITORED BY THE TERRITORIAL, PROVINCIAL AND FEDERAL GOVERNMENTS. IN THIS CONNECTION ALL REFERRED TO THE COSTLY LESSONS LEARNED DURING THE BUILDING OF THE ALYESKA PIPELINE. GOVERNMENT WILL HAVE TO BE A STRONG PARTICIPANT, ALONG WITH THE CONSTRUCTION COMPANIES, IN PROGRAMS TO MINIMIZE AND COMPENSATE FOR SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACT OF PIPELINE.

C. FERBEY NOTED HIS OFFICE HAS CLOSE WORKING RELATIONSHIP WITH THE GOVERNMENT OF ALBERTA. OVER THE YEARS ALBERTA HAS PROVED VERY SUPPORTIVE OF THE YUKON TERRITORIAL GOVERNMENT (YTG) AND WITH RESPECT TO OIL AND GAS MATTERS THE YTG FEELS CLOSER TO ALBERTA THAN IT DOES TO BRITISH COLUMBIA. THE ALBERTA GOVERNMENT HAS CONSIDERABLE LIMITED OFFICIAL USE

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TECHNICAL EXPERTISE WHICH THE YTG LACKS AND WHICH IT GENEROUSLY PROVIDES TO THE YTG UPON REQUEST.

D. REFERRING TO THE SPEECH BY MITCHEL SHARP, COMMISSIONER OF THE NORTHERN PIPELINE AGENCY, AT WHITEHORSE IN JULY (COPIES BEING POUCHED TO EMBASSY AND EUR/CAN), ALL THREE OFFICIALS ASSERTED THAT THERE IS NO QUESTION ABOUT THE CANADIAN GOVERNMENT'S RESOLVE TO BUILD THE PIPELINE DESPITE OPPOSITION FROM NATIVE ORGANIZATIONS. THE TERRITORIAL, PROVINCIAL AND FEDERAL GOVERNMENTS ARE KEENLY AWARE, HOWEVER, OF INDIAN DEMANDS WITH RESPECT TO THE PIPELINE AND THREE OF THE 10 MEMBERS RECOMMENDED BY THE YTG FOR THE YUKON ADVISORY COUNCIL ARE INDIANS.

3. INDIAN CLAIMS.

A. A DIFFICULTY IN NEGOTIATING INDIAN CLAIMS IS THAT THERE ARE NO ACKNOWLEDGED LEADERS WHO HAVE THE CONFIDENCE OF THE 12 INDIAN COMMUNITIES WHICH TOGETHER MAKE UP THE YUKON'S 6,000 INDIAN POPULATION. THE COUNCIL OF YUKON INDIANS (CYI), FORMED FOR THE PURPOSE OF NEGOTIATING INDIAN CLAIMS, DOES NOT ITSELF HAVE THE AUTHORITY TO ACT

ON BEHALF OF THE INDIAN COMMUNITIES. THEY CYI IS THE
NEGOTIATING VEHICLE BUT ALL MATTERS MUST BE CLEARED WITH
THE INDIVIDUAL INDIAN COMMUNITIES AND WITH THE OTHER THREE
MAJOR YUKON INDIAN ORGANIZATIONS: THE YUKON NATIVE BRO-
THERHOOD (STATUS INDIANS), THE YUKON ASSOCIATION OF NON-
STATUS INDIANS AND THE YUKON INDIAN WOMEN'S ASSOCIATION.
THE PAST TWO YEARS HAVE SEEN CONSIDERABLE PROGRESS WITH
RESPECT TO UNITY AMONG YUKON INDIAN GROUPS. THROUGH THE
NEGOTIATING PROCESS THEY HAVE GAINED EXPERIENCE AND
MATURITY. THE CYI HAS UNDERGONE A NUMBER OF REORGANIZA-
TIONS WHICH HAVE STRENGTHENED IT. ONE PROBLEM HAMPERING
ORGANIZATIONAL DEVELOPMENT OF CYI AND OTHER INDIAN
GROUPS IS INSUFFICIENCY OF EXPERT PERSONNEL. CYI AVOIDS

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GOING OUTSIDE THE YUKON IN RECRUITING QUALIFIED PEOPLE
TO MEET ITS NEEDS, EVEN TURNING DOWN OUTSIDE OFFERS OF
HELP GRATIS. PEARSON MENTIONED DAVID JOE, THE YUKON'S
ONLY NATIVE LAWYER AND THE SENIOR CYI NEGOTIATOR, AS BEING
VERY ABLE AND INFLUENTIAL.

B. IN CONTRAST TO THE SANGUINE EXPECTATIONS OF ABOUT A
YEAR AGO WHEN IT WAS HOPED THAT AN "AGREEMENT IN PRIN-
CIPLE" WOULD BE ARRIVED AT EARLY THIS YEAR, IT NOW
APPEARS NEGOTIATIONS WILL BE QUITE PROTRACTED. JUST WHEN
AGREEMENT MIGHT BE REACHED NONE WOULD SAY. HOWEVER, ALL
THREE SUGGESTED THAT THE NORTHERN GAS PIPELINE PROJECT
WOULD SERVE TO EXPEDITE A CLAIMS SETTLEMENT. THE PRELIMI-

NARY AGREEMENT WORKED OUT BETWEEN THE FEDERAL GOVERNMENT AND THE COMMITTEE FOR ORIGINAL PEOPLE'S ENTITLEMENT HAS SEEMINGLY STIMULATED YUKON INDIANS TO SPEED UP ITS NEGOTIATIONS. NEGOTIATIONS BETWEEN THE RESPECTIVE PARTIES ARE NOT PRESENTLY TAKING PLACE BUT IT IS KNOWN THAT A POSITION PAPER HAS BEEN PREPARED AND IS BEING CLEARED BY THE CYI WITH INDIAN COMMUNITIES. IT IS UNDERSTOOD THIS LIMITED OFFICIAL USE

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POSITION PAPER EMBODIES VIRTUALLY ALL OF THE PRINCIPLES PREVIOUSLY AGREED UPON.

C. CLAIMS NEGOTIATIONS WERE BROKEN OFF, IT IS BELIEVED, PRIMARILY BECAUSE OF THE LACK OF CONSENSUS AMONG THE INDIAN GROUPS AND THEIR FEAR OF MOVING TOO RAPIDLY TOWARDS AN AGREEMENT THAT WILL HAVE SUCH A GREAT IMPACT UPON THE FUTURE POSITION OF THEIR COMMUNITY. SOME OF THE DIFFICULTY ALSO ATTRIBUTED TO INTERVENTION BY THE NATIONAL LEADERSHIPS OF STATUS AND NON-STATUS INDIANS WHO ARE GREATLY CONCERNED ABOUT THE IMPACT A YUKON AGREEMENT COULD HAVE UPON NATIVE CLAIMS NATIONALLY.

D. RECENT DECISION OF YUKON INDIANS TO BOYCOTT PIPELINE HEARINGS VIEWED AS HAVING POSITIVE ASPECT IN THAT INDIANS NOW CAN CONCENTRATE THEIR PERSONNEL RESOURCES ON CLAIMS MATTERS. INDIAN ORGANIZATIONS, ALTHOUGH BOYCOTTING PIPELINE CONSULTATIONS, HAVE PUBLICLY TAKEN POSITION THAT INDIVIDUAL BANDS MAY DEAL DIRECTLY WITH PIPELINE CONTRACTOR OR WITH THE GOVERNMENT ON MATTERS WHICH AFFECT THEM DIRECTLY, E.G., LOCAL CONSTRUCTION AND EMPLOYMENT, SINCE AT COMMUNITY LEVEL THE BANDS MUST DEAL WITH REALITIES OF THE PROJECT.

E. GRYBA, WHO UNTIL HIS RECENT APPOINTMENT HAD BEEN WORKING ON INDIAN CLAIMS, MENTIONED THAT INDIAN CONCERN ABOUT EVENTUAL PROVINCIAL STATUS FOR THE TERRITORY IS, LIKE THE CONSTRUCTION OF THE PIPELINE, ALSO A POWERFUL CATALYST FOR THE SETTLEMENT OF CLAIMS. YUKON INDIANS HAVE SEEN HOW TOUGH PROVINCIAL GOVERNMENTS CAN BE AT THE BARGAINING TABLE, E.G., BRITISH COLUMBIA. THEY BELIEVE THEY CAN ACHIEVE MORE DEALING WITH THE FEDERAL GOVERNMENT AND WOULD ACTUALLY PREFER TO DEAL WITH THE FEDERAL GOVERNMENT. LIMITED OFFICIAL USE

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MENT EXCLUSIVELY RATHER THAN WITH BOTH THE TERRITORIAL AND THE FEDERAL GOVERNMENTS. INDIAN ORGANIZATIONS ARE

TOTALLY AGAINST PROVINCIAL STATUS FOR THE YUKON--STILL A LONG WAY OFF IN ANY EVENT--UNTIL THEY HAVE LEGISLATIVE SAFEGUARDS TO PROTECT THEIR RIGHTS.

F. PEARSON, FERBEY AND GRYBA ALL MADE A POINT OF NOTING THAT WHEREAS THE FEDERAL AND TERRITORIAL GOVERNMENTS HAVE HERETOFORE NEGOTIATED WITH THE INDIANS IN A SPIRIT OF ACCOMMODATION, THIS SPIRIT IS BEGINNING TO WANE SOMEWHAT IN THE FACE OF INDIAN STONEWALLING AND "ASTOUNDING" DEMANDS. THEY NOTED THAT, ALTHOUGH THERE HAS BEEN NO VIOLENCE OF ANY KIND, POLARIZATION BETWEEN THE WHITE AND INDIAN COMMUNITIES HAS VASTLY INCREASED OVER THE PAST YEAR. ADAMANT POSITIONS TAKEN BY THE INDIANS VIEWED BY NON-INDIANS AS FRUSTRATING PLANS FOR THE DEVELOPMENT OF THE YUKON AND THEIR OWN FUTURE IN IT.

G. NONE COULD SAY JUST WHEN THE FORMAL NEGOTIATION PROCESS MIGHT BE REINSTITUTED BUT ALL SUGGESTED SUCH MIGHT TAKE PLACE IN THE NEXT TWO OR THREE MONTHS. DESPITE THEIR SHARP ADVERSARIAL STANCE, INDIANS WANT A CLAIMS SETTLEMENT. PEARSON NOTED THAT FEDERAL GOVERNMENT STANDS READY TO APPOINT A NEW NEGOTIATOR "AT A MOMENT'S NOTICE."
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Message Attributes

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